GOVERNMENT OF ANDHRA PRADESH

ABSTRACT

Agriculture & Cooperation Department - Procurement of 20.00 million kg HDBRG Tobacco by AP MARKFED in RMS 2024-25 -To Utilize an amount of Rs.55.00 crores from the NCDC loan for payment to the tobacco farmers - Permission-Accorded - Orders -Issued.

AGRICULTURE & COOPERATION (MKTG-III) DEPARTMENT

G.O.RT.No. 754 Dated: 26-08-2025

Read the following:

1. G.O.Ms.No.25, Agri. & Coop. (MKTG.III) Dept. dt:04.07.2025.
2. G.O.Rt.No.566, Agri. & Coop. (MKTG.III) Dept., dt:09.07.2025.
3. From MD, AP Markfed, e file Comp.No.2893135, APMF-17/14/2025-PROC SEC-APMF.

ORDER:

In the G.O.1st read above, Government have authorized the additional loan of Rs.1000.00 Crore (Rupees One Thousand Crore only) to Andhra Pradesh State Cooperative Marketing Federation Ltd. (A.P.MARKFED) duly extending Government guarantee for availing credit from National Cooperative Development Corporation(NCDC) and transfer it to AP State Civil Supplies Corporation Ltd. (APSCSCL),Vijayawada, as an Inter-Corporate Loan to meet the working capital needs (pending for farmer dues) of Rabi 2024-25 operations, and to increase the share capital from 10 Crs to 20 Crs.

2. In the G.O. 2nd read above, Government accorded permission to procure 20.00 million kg of HD BRG tobacco in the first instance, as an intervention strategy to stabilize the market and protect farmer’s interests in RMS 2024-25 in the state, and Sanction Rs.273.17 Crore towards farmer payments (Rs.240.00 Crore, @120/kg) and incidental costs (Rs.33.17 Crore) and release an amount of Rs.100.00 Crore as advance.

3. In the reference 3rd read above, the MD, AP Markfed has requested the Government to accord permission to pay 55 Crs to HDBRG farmers from the existing loan amount of 209 Crs (authorized vide G.O.1st cited), with a condition to reimburse from PSF of Marketing Department otherwise Markfed doesn't have funds to repay 209 Crs.

4. Government after careful examination of the proposal hereby accord permission to utilize an amount of Rs.55.00 Crore(Rupees Fifty Five Crore only) from the available NCDC loan for payment to the tobacco farmers, partially modifying the orders issued vide G.O. 1st read above. The loan repayment may be made from out of the sale proceeds of the procurement. Reimbursement from PSF may be limited to the gap amount only.

5. The Managing Director, Andhra Pradesh State Cooperative Marketing Federation Ltd., Vijayawada shall take further necessary action in the matter.

6. This order issues with the concurrence of Finance Department, vide U.O.No. FIN01-FMU0PC(AC)/21/2025-FMU-AC-CS-AH, Comp No.2874195, dt:18.08.2025.

(BY ORDER AND IN THE NAME OF THE GOVERNOR OF ANDHRA PRADESH)

B.RAJSEKHAR
EX-OFFICIO SPECIAL CHIEF SECRETARY TO GOVERNMENT

To
The Managing Director, AP MARKFED, Vijayawada.
The Director of Agricultural Marketing, A.P., Guntur.

Copy to:
The Finance (FMU-A&C, AHDD&F, CS) Department, A.P. Secretariat.
The PS to Hon'ble Minister (Agriculture, Marketing & Cooperation).
The PS to Ex-Officio Special CS to Government (Agri, Mark & Coop.)
Sc/Sf.

//FORWARDED:: BY ORDER//

SECTION OFFICER